

MINUTES OF THE  
MAG MANAGEMENT COMMITTEE MEETING

March 14, 2008  
Virginia G. Piper Auditorium  
U of A College of Medicine – Phoenix  
Phoenix Biomedical Campus  
550 East Van Buren Street, Phoenix

MEMBERS ATTENDING

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| * Jan Dolan, Scottsdale, Chair          | Mark Johnson, Guadalupe                  |
| Charlie McClendon, Avondale, Vice Chair | * Darryl Crossman, Litchfield Park       |
| * George Hoffman, Apache Junction       | Christopher Brady, Mesa                  |
| * Jeanine Guy, Buckeye                  | Jim Bacon, Paradise Valley               |
| Jon Pearson, Carefree                   | Terry Ellis, Peoria                      |
| * Usama Abujbarah, Cave Creek           | Frank Fairbanks, Phoenix                 |
| Mark Pentz, Chandler                    | * John Kross, Queen Creek                |
| Spencer Isom for B.J. Cornwall,         | * Bryan Meyers, Salt River Pima-Maricopa |
| El Mirage                               | Indian Community                         |
| Phil Dorchester, Fort McDowell          | Kathy Rice for Surprise                  |
| Yavapai Nation                          | Charlie Meyer, Tempe                     |
| * Kate Zanon, Fountain Hills            | * Reyes Medrano, Tolleson                |
| Lynn Farmer, Gila Bend                  | Gary Edwards, Wickenburg                 |
| * Joseph Manuel, Gila River Indian      | * Lloyce Robinson, Youngtown             |
| Community                               | Rakesh Tripathi for Victor Mendez, ADOT  |
| George Pettit, Gilbert                  | * David Smith, Maricopa County           |
| Horatio Skeete for Ed Beasley, Glendale | David Boggs, Valley Metro/RPTA           |
| * Brian Dalke, Goodyear                 |  |
- \* Those members neither present nor represented by proxy.  
# Participated by telephone conference call.  
+ Participated by videoconference call.

1. Call to Order

The meeting was called to order by Vice Chair Charlie McClendon at 11:35 a.m.

2. Pledge of Allegiance

The Pledge of Allegiance was recited.

Vice Chair McClendon noted that the revised agenda and material for agenda items #4B and #4G, were at each place. Vice Chair McClendon stated that transit tickets were available from Valley Metro/RPTA for those using transit to come to the meeting.

3. Call to the Audience

Vice Chair McClendon stated that Call to the Audience provides an opportunity to the public to address the Management Committee on items that are not on the agenda that are within the jurisdiction of MAG, or non-action agenda items that are on the agenda for discussion or information only. Vice Chair McClendon noted that those wishing to comment on agenda items posted for action will be provided the opportunity at the time the item is heard. Public comments have a three minute time limit and there is a timer to help the public with their presentations. Vice Chair McClendon noted that no public cards had been received.

A written statement was submitted for the record by Dianne Barker, who reported that she attempted to enter the building where the Management Committee was being held but the doors were locked. She indicated that she entered at 11:50 a.m. when someone exited. Ms. Barker stated that she wanted a formal explanation of this. Ms. Barker commented on the economic update, which offered some hope to the MAG region. She that the recession is being felt less in this region than in the rest of the country. However, Arizona is a leading state in home foreclosures, and it needs stable industry growth and water availability. Ms. Barker stated that this region will need cooperation and leadership in facing the budget cuts and declining revenue. She commented on agenda item #4C by saying that the CAFR appears a positive effort, but it lacks making an opinion to be free of material weakness of internal control over financial reporting.

4. Approval of Consent Agenda

Vice Chair McClendon stated that agenda items #4A, #4B, #4C, #4D, #4E, #4F, and #4G were on the consent agenda. Vice Chair McClendon reviewed the public comment guidelines for the consent agenda. He noted that no public comment cards had been received.

Vice Chair McClendon asked if any member of the committee had questions or a request to have a presentation on any consent agenda item. None were noted.

Mr. Boggs moved to recommend approval of consent agenda items #4A, #4B, #4C, #4D, #4E, #4F, and #4G. Mr. Pettit seconded, and the motion carried unanimously.

4A. Approval of February 13, 2008 Meeting Minutes

The Management Committee, by consent, approved the February 13, 2008 meeting minutes.

4B. Request to Accelerate the Union Hills/Loop 101 Traffic Interchange Widening

The Management Committee, by consent, recommended approval of the proposed acceleration of the Union Hills Traffic Interchange widening project and for MAG to enter into the Intergovernmental Agreement (IGA) with ADOT and Peoria, contingent on an amendment to the FY 2008 - FY 2012 Transportation Improvement Program and conformity determination. The City of Peoria is interested in accelerating the widening of the Union Hills Traffic Interchange (TI) bridge at the Loop 101 which is currently scheduled for construction by the Arizona Department of Transportation (ADOT) in FY 2012. An arterial street project to

construct a Beardsley Road Connector with the Loop 101 is scheduled for construction in the fall of 2008. Given the proximity of the Beardsley Road Connector project to the Union Hills TI significant cost and convenience benefits accrue if both projects are constructed at the same time. ADOT concurs with the request to accelerate the Union Hills TI widening project. To facilitate the advancement of the Union Hills TI, Peoria has requested a HELP loan of \$9.91 million to finance the acceleration. The ADOT Life Cycle Freeway Program has this project programmed for \$18 million so substantial cost savings are expected. Peoria has requested that the interest expense be shared in accordance with the MAG Highway Acceleration Policy.

4C. Status Update on the June 30, 2007 Single Audit and Management Letter Comments, MAG's Comprehensive Annual Financial Report (CAFR) and OMB Circular A-133 Reports (i.e., "Single Audit") for the Fiscal Year Ended June 30, 2007

The Management Committee, by consent, recommended acceptance of the MAG Comprehensive Annual Financial Report and Single Audit Report for the year ended June 30, 2007. The accounting firm of Cronstrom, Osuch and Company, PC has completed the audit of MAG's Comprehensive Annual Financial Report (CAFR) and Single Audit for the fiscal year ended June 30, 2007. An unqualified audit opinion was issued on January 12, 2008 on the financial statements of governmental activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information. The independent auditors' report on compliance with the requirements applicable to major federal award programs, expressed an unqualified opinion on the Single Audit. The Single Audit report indicated there were no reportable conditions in MAG's internal control over financial reporting considered to be material weaknesses, no instances of noncompliance considered to be material and no questioned costs. The Single Audit report had no new or repeat findings. Two Management Letter comments were issued for the fiscal year ended June 30, 2007 and these are described with the management resolution by MAG in the attached memorandum. The CAFR financial statements and related footnotes were prepared in accordance with the Government Finance Officers Association's (GFOA) standards for the Certificate of Achievement for Excellence in Financial Reporting awards program. Management intends to submit the June 30, 2007 CAFR to the GFOA awards program for review. If awarded the certificate for the June 30, 2007 CAFR, this would be the agency's tenth consecutive award.

4D. Development of the FY 2009 MAG Unified Planning Work Program and Annual Budget

Each year staff develops the MAG Unified Planning Work Program and Annual Budget. The Work Program is reviewed in April by the federal agencies and approved by the Regional Council in May. The proposed budget information is being presented incrementally in parallel with the development of the budget information. This presentation and review of the FY 2009 MAG Unified Planning Work Program and Annual Budget represent the budget document development to-date. Due to current economic conditions, MAG is proposing no increase in estimated dues and assessments. The individual member dues and assessments may change due to population allocation, but the overall dues and assessments total of \$606,550 remains the same amount as FY 2008. Each year new projects are proposed for inclusion in the MAG planning efforts. These new project proposals come from the various MAG technical committees, policy committees and other discussions with members and stakeholders regarding joint efforts within the region. These projects are subject to review and input by the committees

as they go through the budget process. The proposed new projects for FY 2009 were presented at the February 13, 2008 Management Committee meeting and the February 27, 2008 Regional Council meeting. A transportation project titled, "Safety Evaluation of the MAG Elderly Mobility Sign Project On-Call," budgeted for \$50,000 has been added to new project requests and an updated proposed project list is included in the "MAG Programs in Brief." The MAG Transportation Safety Committee and the MAG Elderly Mobility Stakeholders Group initiated a Sign Project in FY 2008 in which sixteen jurisdictions are installing street name signs with larger font sizes, advanced street name signs, and internal illumination signs based on the FHWA Guidelines and Recommendations to Accommodate Older Drivers and Pedestrians. One component of this sign installation program is a safety evaluation element which will be addressed by this project. MAG has also been approached by the Central Arizona Association of Governments to have them assist MAG in compiling and checking data used in the MAG travel demand model that extends into Pinal County. Proposed new consultant projects for FY 2009 are reduced from consultant project totals in FY 2008 by approximately 20 percent. The FY 2009 budgeted expenses for MAG show an overall decrease of 2.38 percent from last year. This decrease is, in part, due to a decrease in the budgeted amounts for overhead and a 50 percent reduction in proposed capital expenditures. The reason for the large capital decrease is that a majority of MAG's capital equipment inventory is computer hardware which is on a replacement cycle of approximately every three years. MAG staff has an annual performance evaluation in June and based on performance, salary increases that average up to five percent may be awarded. There are no new staff positions being requested for FY 2009 and FTE at MAG remains at 75.25. This item was on the agenda for information.

4E. Section 5310 Elderly and Individuals with Disabilities Transportation Program Applications

The Management Committee, by consent, recommended forwarding the priority listing of applicants for FTA Elderly and Persons with Disabilities Transportation Program to the Arizona Department of Transportation. On February 29, 2008, the MAG FTA Elderly and Persons with Disabilities Transportation Program Ad Hoc Committee developed a priority listing for the applications received for Federal Transit Administration (FTA) Section 5310 funding. FTA provides these funds to the Arizona Department of Transportation (ADOT) for capital assistance to agencies and public bodies that provide transportation services for people who are elderly and for people who have a disability. This year, 20 applications were submitted for capital assistance awards. Forty-five van requests, two radio requests, one software request, and three mobility manager requests were received and considered by the committee.

4F. Draft MAG 208 Water Quality Management Plan Amendment for the City of Goodyear Sonoran Valley Planning Area

The Management Committee, by consent, recommended approval of the Draft MAG 208 Water Quality Management Plan Amendment for the City of Goodyear Sonoran Valley Planning Area. The City of Goodyear has requested that MAG amend the 208 Water Quality Management Plan to include four water reclamation facilities (WRFs) for the Sonoran Valley Planning Area. The ultimate capacities for the State Land WRF and Southern Region WRF would be 4.75 million gallons per day (mgd) and 24 mgd, respectively. The Section 23 WRF and Section 28 WRF would each have an ultimate capacity limited to 0.6 mgd. Reclaimed water from the four facilities would be disposed of through reuse, recharge, and Arizona Pollutant Discharge

Elimination System Permit discharge points to the Waterman Wash. The project is located within three miles of the City of Avondale, Town of Buckeye, City of Maricopa, the Gila River Indian Community, and unincorporated Maricopa and Pinal Counties. To date, five of the six entities have indicated no objections. The public hearing on the draft amendment was conducted on February 13, 2008. Following the hearing, the MAG Water Quality Advisory Committee recommended approval of the Draft 208 Plan Amendment.

4G. Legislative Update

An updated bill summary chart was provided on legislative issues of interest.

Mr. Brady commented on potential state legislation. He stated that the City of Mesa had been approached by the Chamber of Commerce asking for a critical needs list. Dennis Smith, MAG Executive Director, stated that the Transportation Policy Committee and Regional Council directed staff to provide to ADOT and the Governor information that will describe the transportation challenges facing this region, including projects that are part of the approved Regional Transportation Plan (RTP). He noted that MAG staff will assist the consultant hired by ADOT in order to keep the list at the conceptual level. Mr. Smith commented that there has been a lot of confusion in the last few days because some partnering agencies received direction from the Time Coalition to ask member agencies for projects. He said that he contacted the Time Coalition and they are now requesting ideas from the business sector. Mr. Smith noted that an ADOT meeting of regional planning agency elected officials and the Time Coalition to discuss timing issues is scheduled for Monday. Mr. Smith stated that last week, there was a large meeting of the statewide planning organizations, and the consensus was to do a great plan. He commented that he did not think there was a need to provide a critical needs list to the chambers of commerce.

Mr. Fairbanks stated that there was a time when issues were discussed at MAG. This is stacking up in an interesting way. Mr. Fairbanks stated that he understood the forces at the state would like to spend the majority of the tax on a train from Phoenix to Tucson. He expressed that the City of Phoenix is in a near crisis with the costs of city street construction, and added that they have been pushing ways to increase the amount they receive for streets. Mr. Fairbanks noted that the efficiency of gas mileage has impacted the amount cities receive; because the tax is per gallon, there is no growth. Mr. Fairbanks expressed that the City of Phoenix is a huge supporter of the Governor, but it needs more money for streets or there will be a catastrophe. He urged that there be discussion of street and road money. Mr. Fairbanks commented that if there is enough to do streets and also a train, that would be great, but cities really need the money for streets.

Vice Chair McClendon stated that this topic could be agendized for the next Management Committee meeting.

Rakesh Tripathi spoke on behalf of ADOT. He said that he would be managing the framework study. Mr. Tripathi commented that one thing he wanted the Management Committee to understand that when they are speaking of the MAG Long Range Plan, they are speaking of a financially constrained plan. Mr. Tripathi stated that the state is looking at planning from the top down. He advised that a lot of regions in the country use this process, which is different

from the federal process. Mr. Tripathi stated that the MAG RTP does not capture every need because it is financially constrained. Mr. Tripathi stated that the Governor wants to see what would people want the region to look like if a plan is not constrained. He commented that this is a different type of planning—the state is looking at a vision plan, and added that needs are needs even if they are beyond financial constraints.

There being no further business, Mr. Pettit moved to adjourn the meeting. Mr. Fairbanks seconded, and the motion carried unanimously. The meeting adjourned at 11:50 a.m.

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Secretary

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Chairman